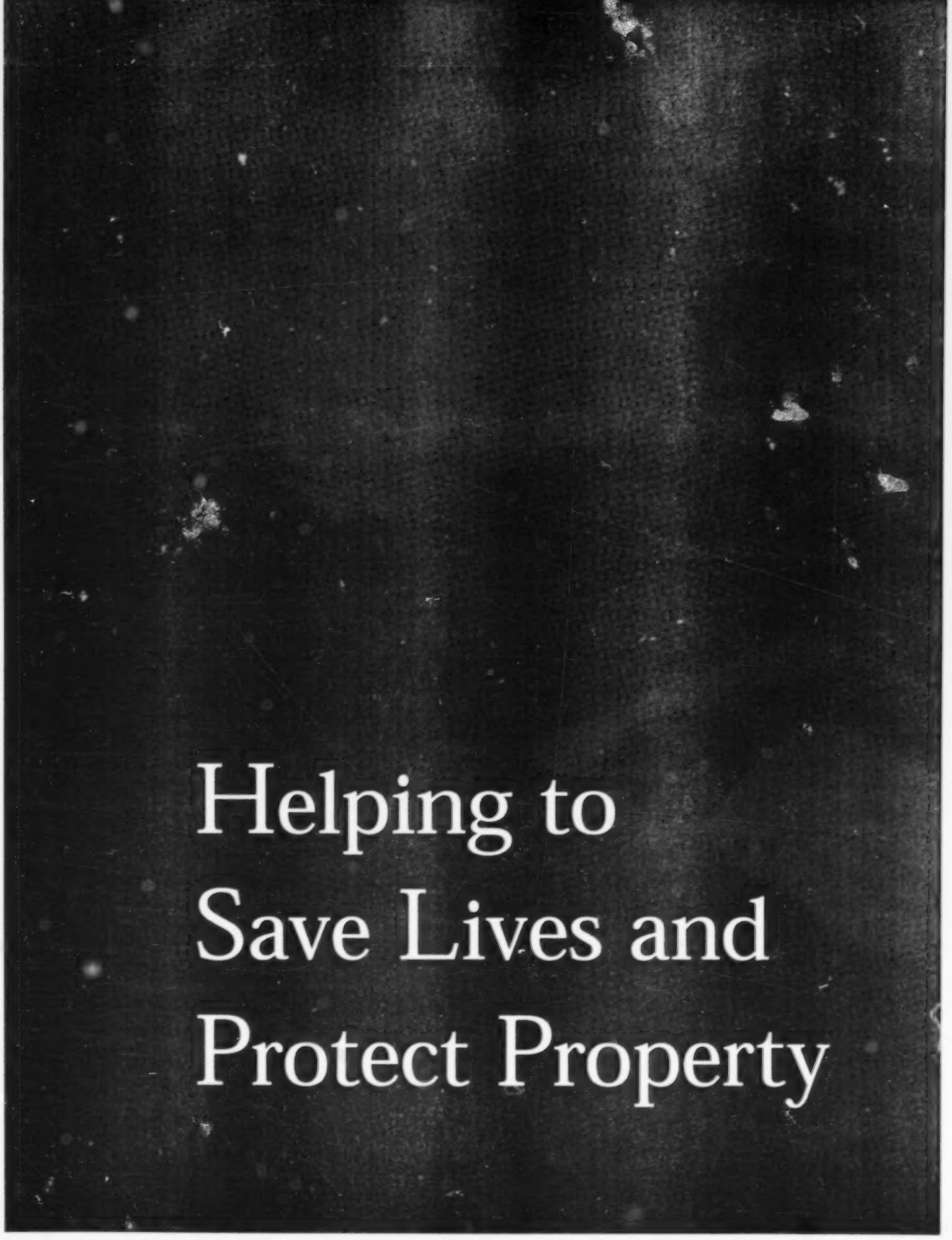
ANNUAL REPORT 2001–2002

Reporting Period: May 1, 2001 – July 31, 2002

E-Comm Emergency Communications for Southwest British Columbia Incorporated


Helping to
Save Lives and
Protect Property

Vision Statement

E-Comm is a global leader in integrated emergency communications. Together with our partners, E-Comm is a vital link in saving lives and protecting property through excellence in people and technology.

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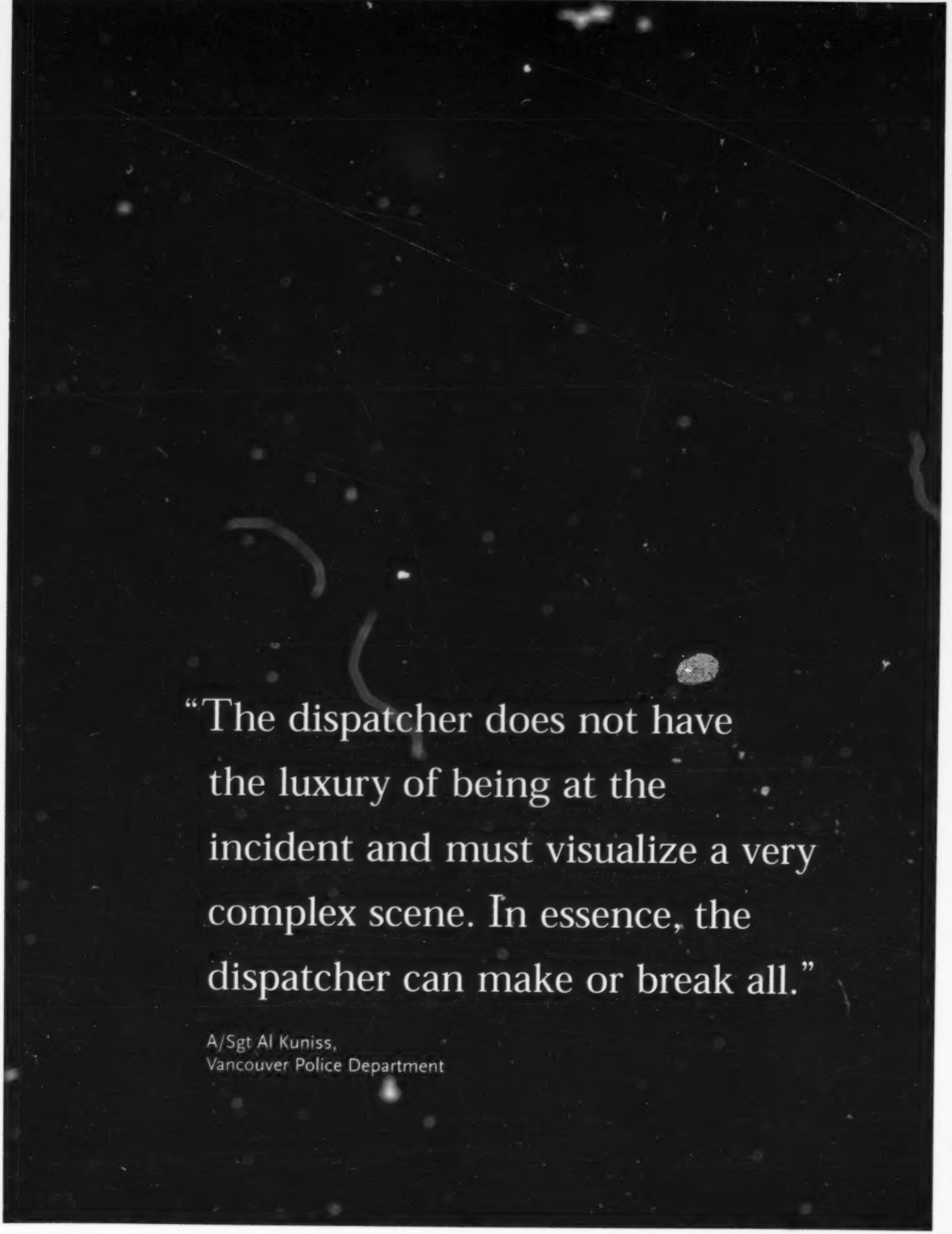
"The dispatcher does not have the luxury of being at the incident and must visualize a very complex scene. In essence, the dispatcher can make or break all."
A/Sgt Al Kuniss,
Vancouver Police Department

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Table of Contents

Corporate Overview iv

- Leadership Team 1
- Board of Directors 1
- Message from the Chair 2
- Message from the President and CEO 4

Operational Review 7

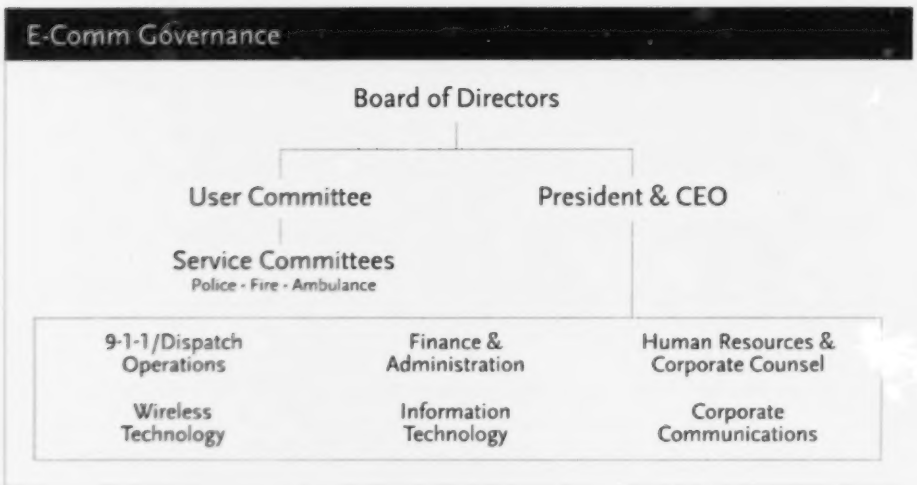
- 9-1-1/Emergency Dispatch Operations 7
- Year in Review 8
- Information Technology 10
- Wireless Technology 13
- Human Resources and Corporate Communications 15

Finance and Administration 17

- Auditor's Report 19
- Balance Sheets 20
- Statements of Cashflows 21
- Notes to Financial Statements 22

Corporate Overview

E-Comm is the regional emergency communications centre for southwest British Columbia. Through a 9-1-1 call centre and emergency radio and dispatch systems, E-Comm provides communications services and support systems to emergency responders and to the more than two million residents they serve. E-Comm is implementing a shared radio system and consolidated dispatch services in stages. As a privately held corporation, founded under the provincial Emergency Communications Corporations Act in 1997, E-Comm has an annual operating budget of approximately $35 million and a fiscal mandate to "break even." E-Comm has 14 "Class A" shareholders who are investors in E-Comm and are bound by the terms and conditions of the Members' Agreement. "Class B" shareholders are not financially bound to E-Comm until they join the Wide-Area Radio System, however, purchasing a Class B share secures the shareholder future radio spectrum. There are 32 Class B shareholders. E-Comm is a cost-recovery model, and therefore member agencies are charged for their share of the radio system based on an allocation model that considers factors such as the geography and population of their region as well as their specific user equipment requirements. Any surplus revenues are credited back to the shareholder while any shortfalls are recovered through a special levy assessment in the following year. Shareholders that utilize dispatch services are charged based on staffing requirements and an administration fee. 9-1-1 is also financed by participating agencies through the Greater Vancouver Regional District.



A 15 member Board of Directors provides governance to E-Comm and is responsible for ensuring the overall financial health of the Corporation and its operating results. Management is accountable to the Board of Directors for the day-to-day administration of the Corporation. The members of the Board of Directors, nominated by E-Comm shareholders, provide extensive knowledge and experience to the Corporation through their work on the Board and as members of one of the Board's standing committees. These committees are the Audit Committee, the Human Resources & Compensation Committee and the Governance Committee.

Leadership Team

Ken Shymanski	President & CEO
Melanie Fahlman	Executive Assistant
Peter Greenwood	Director of Finance & Administration
Tracey Lee Lorenson	Director of Human Resources and Corporate Counsel
Glen Miller	Director of Information Technology
Shahir Popatia	Director of Wireless Services, Engineering and Operations
Jody Robertson	Director of Corporate Communications
Russell Sanderson	Director of Operations

Board of Directors

Chair and Independent Director
Don Evans

Emergency Health Services Commission
Dan Cunningham

City of Vancouver
Philip Owen

Independent Police Boards:
Port Moody, Delta, West Vancouver
Joe Trasolini

Vancouver Police Board
Vern Campbell
Chair of Governance Committee

City of West Vancouver, North Vancouver City, North Vancouver District
Barbara Sharp

Port Coquitlam, Coquitlam, Port Moody, New Westminster, Belcarra
Scott Young

Richmond
George Duncan

Surrey, Delta, White Rock, Langley City
Len Garis
Lois Jackson

Maple Ridge, Pitt Meadows
Jon Harris

RCMP
Gary Briggs
Chair of the Human Resource and Compensation Committee

Ministry of the Solicitor General
Tony Heemskerk

Ministry of Community, Aboriginal Affairs and Women
Lori Wanamaker

Independent Director
David Korbin
Chair of the Audit Committee

Don Evans, Chair

If there is one thing most of us learned in 2001, it's that we shouldn't take anything for granted. For those connected professionally and personally to the men and women of emergency response—firefighters, police officers, paramedics and rescue workers—the harsh reality and heroic nature of these professions became abundantly clear September 11th. And for those who work in emergency communications it was a humbling reminder of the important role they play in helping to save lives and protect property.

In southwest British Columbia, where more than half the population of our province lives, work is well underway to build an integrated communications system that will protect us in the event of a major disaster, such as an earthquake, or a threat to our security.

2001-2002 was a year of tremendous progress for E-Comm and our vision of consolidated emergency communications.

The first phase of the Wide-Area Radio System, a communications network linking emergency services in the Greater Vancouver Regional District (GVRD) was completed this reporting year. Replacing the previous technology with this shared system capitalizes on interoperability and a shortage of radio frequency and has lowered overall costs to participating agencies. Calls to 9-1-1 reached an all time high in 2001 and yet staff still managed to answer 95% of those calls on the first ring. We also welcomed more emergency dispatch operations into the E-Comm facility and the City of New Westminster as a "Class A" shareholder. E-Comm also increased its leadership role in developing and delivering new technology to support public safety. As an example, Phase One of a new Police Records Management System (PRIME-BC) was completed when Richmond RCMP went live on the system in December 2001. The RCMP in that municipality are now linked directly with police departments in Vancouver and Port Moody and the sharing of information in these three cities is now faster and easier.

Other key decisions taken by the Board were to work with E-Comm to conclude the selection and implementation of the new Computer-Aided Dispatch (CAD) system. This service rounds out a complete emergency communications portfolio for our customers. The Board also spent a considerable amount of time helping to chart a forward course for establishing strategy and culture for the organization in the future.

On behalf of the Board I would like to welcome Ken Shymanski to E-Comm as our new president. Ken's 30-year association with the telecommunications industry and his belief in consolidated emergency communications will continue to serve us well. It is important to recognize Ken's predecessor Peter Martin, who returned to the RCMP in September, for his assistance in the start-up of E-Comm.

I would like to take this opportunity to thank the members of our Board of Directors for their guidance and hard work and to officially welcome the members who joined us during the 2001 Annual General Meeting: Port Coquitlam Mayor Scott Young (representing Port Coquitlam, Coquitlam, Port Moody, Anmore, Belcarra and New Westminster), George Duncan, representing the City of Richmond, Tony Heemskerk, representing the Ministry of the Solicitor General and Independent Director David Korbin.

The concept of consolidation has many advantages for both emergency response agencies and the public. Integrating communications services leads to a faster and more efficient method of receiving and distributing information to responders in the field as information is shared by multiple agencies and across municipal boundaries. A consolidated system can also reduce costs because it removes the requirement for municipalities to operate separate systems. A shared system also provides the ability to develop solid back-up systems, and supports the day-to-day and long-term costs of maintaining a post-disaster facility. The costs of staffing and training are also positively impacted.

I well recall joining the E-Comm Board of Directors almost four years ago. My background in telecommunications was an asset, but I found I had a lot to learn about the breadth of work and challenges that faced the public safety arena. The 1994 Stanley Cup riot in Vancouver may have been the catalyst for the creation of E-Comm, but it became immediately clear to me that the emergency communications system in place at that time played out in the day-to-day operations of emergency response. My first ride-along with the Vancouver Police department was an eye opener I saw first hand, on a response to a hold up, how the previous communications system prevented the police from apprehending a criminal when all that the criminal had to do was speed east into another municipality. It is exciting to think about how far we have come in just a few years and how much we will grow in the future.

E-Comm will continue to meet the challenges ahead aggressively, and pursue the opportunities presented by an ever-changing industry. E-Comm's full potential has yet to be realized and we remain committed to our vision of helping to build safer communities by providing superior value for our customers: the police, fire and ambulance; our shareholders, and of course, the residents of southwest British Columbia.

KEN SHYMANSKI, PRESIDENT AND CEO

Helping to save lives and protect property. Those words, in the simplest of terms, represent what E-Comm's people do every day.

Whether a 9-1-1 call-taker or emergency dispatcher; an information technology specialist; a radio engineer; an accountant or administrative assistant; E-Comm's employees all share a common purpose: to help police, fire and ambulance do what they do best... save lives and protect property.

2001-2002 has been a busy year for E-Comm, one filled with successes and challenges... and solid plans for the future. At the centre of what we want to achieve is our five-year strategic plan, which provides us with direction for advancing consolidated emergency communications. We have created strategies for all areas of our business based on the combined strengths of our people and technology. We have shared our plans with staff and our customers and we will hold ourselves accountable to both.

In 2001 E-Comm's emergency dispatchers responded to more than 1.26 million calls for help, answering 95% of those calls on the first ring—that's within 3-6 seconds. That is a significant achievement.

E-Comm completed the first phase of the Wide-Area Radio System in April 2002 when RCMP detachments in Surrey (the largest RCMP detachment in the GVRD), Langley and White Rock transitioned to the system followed by the New Westminster Police Service in May. Earlier in the reporting year we also welcomed Ridge-Meadows RCMP and Port Moody Fire-Rescue Services to the system along with the BC Ambulance Service. Now, for the first time, police, fire and ambulance personnel can communicate directly with each other because they use a shared radio system. The impact on public and emergency responder safety is immense.

Our dispatch service also expanded this reporting year when dispatch operations for fire-rescue services in Vancouver, Port Moody, the Sunshine Coast Regional District and Whistler, along with the Ridge Meadows RCMP, transitioned into the E-Comm facility. E-Comm also began work on bringing the Port Moody Police department, the Vancouver Police Department and the BC Ambulance Service onto the new Computer-Aided Dispatch (CAD) system. This is another significant step toward realizing our vision of consolidated emergency communications.

In April 2002, at the direction of our Board of Directors, we undertook a review of how our customers are billed for service and received continued support for the current Cost Allocation Model. This support by no means suggests that E-Comm will not continue to look for ways to keep costs competitive and to provide exceptional customer service and value.

E-Comm also chose to close down its Public Safety Alarm Monitoring operation this reporting year. Alarm Monitoring was not a revenue-generating operation for E-Comm and as such, the decision was made to divest ourselves of this area in order to focus all attention on our three core business functions: 9-1-1, emergency dispatch and the Wide-Area Radio System.

With the conclusion of the labour dispute in October 2001, came new opportunity for change. Recognizing the importance of our employees' opinions, E-Comm undertook its first employee opinion survey in March 2002. We have communicated the results to staff and committed to working with them to build an exceptional workplace. This is a shared responsibility of both management and staff and I believe the future is promising.

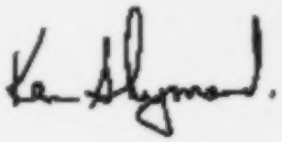
The Ministry of Health's BC HealthGuide NurseLine, a 24/7 telephone nursing service located at E-Comm, was launched in April 2001 and has received more than 100,000 calls from all over the province on almost every health topic. The service is confidential for callers and is staffed by registered nurses.

The year 2001-2002 was also a period of growth within the Corporation's leadership team. Jody Robertson joined E-Comm in June 2001 as Director of Corporate Communications and Tracey Lee Lorenson joined us in November as Director of Human Resources and Corporate Counsel. Jody will guide both internal and external corporate communication and public education and Tracey will lead the development of our human resource initiatives, including training and development, job performance and labour relations.

The coming year will be an exciting one as projects touching every aspect of E-Comm are expanded and new initiatives begin.

Since September 11th, E-Comm continues to be contacted by emergency agencies from around the world for information on consolidated emergency communications. The events of that tragic day were felt in every corner of the globe and E-Comm was no exception. But our 9-1-1 and emergency dispatch staff rose to the occasion, putting your safety first by remaining poised and professional and continuing with the job at hand. Our Wireless Technology department quickly moved into action by programming and delivering additional radios to the police as a precaution and our peer counselling support team helped with debriefings. For many, it was a reaffirmation of why we choose to work at E-Comm and how important this work is.

Building an innovative, robust and capable organization is our top priority and we believe the relationships we build with our employees and customers will be the foundation of all E-Comm success, and what will propel us as a valuable and sustainable emergency communications service.



"My wife and I would like to express our sincere thank you for the help you provided to us... We were startled from our sleep by an intruder who had climbed up on the roof and was starting to enter our bedroom window. We were shocked and a bit disoriented. Your organized assistance was a great comfort..."

A Vancouver resident to an
E-Comm 9-1-1 call-taker/dispatcher

9-1-1/Emergency Dispatch Operations

A record number of calls to 9-1-1 in 2001 is a clear indication that as our region grows, so must the emergency communications system. This will require careful management and deployment of resources to ensure E-Comm is not only providing superior service but that the cost remains affordable for our shareholders. In terms of public service, 9-1-1 is a proven life-saving operation with unequalled reliability.

1.26 million calls for help were received by E-Comm 9-1-1 call-takers in 2001 and staff maintained the Corporation's performance level of answering 95% of all calls on the first ring. Answering a call on the first ring means a caller was speaking with call-taker/dispatcher within 3-6 seconds of their call being connected to E-Comm via the telephone system.

In January 2002, E-Comm split its primary 9-1-1 call-answer queue, creating a separate pool of emergency call takers to respond to only Vancouver Police (VPD) calls (the vast majority of 9-1-1 calls are for Vancouver police). By transferring calls for the VPD to a group of call-takers specifically assigned to the VPD, the efficiency of 9-1-1 as a whole was improved.

9-1-1 Call Breakdown 2001	
January	99,358
February	91,150
March	104,096
April	101,899
May	112,069
June	113,528
July	119,406
August	118,047
September	105,261
October	102,512
November	95,789
December	100,360

9-1-1 Call Breakdown 2002	
January	93,460
February	84,550
March	96,173
April	98,595
May	92,980
June	103,850
July	108,932

One of the major threats to maintaining superior 9-1-1 service is the dramatic increase in calls from cellular phones. E-Comm receives approximately 500,000 (40% of total calls) calls per year from cell phones, many of which are dialed in error due to pre-programmed 9-1-1 buttons (speed dials).

The challenge with cell phones is that, unlike the telephone companies, wireless carriers do not provide location or call back information. If you call E-Comm from a residence or business our operators will see your phone number and location on a computer screen, which is critical should you not be able to communicate your location. If you dial from a cell phone usually we do not receive any information. Should your call be disconnected during an act of crime or an injury, before you have a chance to provide your location, our operators would not be able to call you back or send emergency help. In the United States, the Federal Communications Commission (FCC) has ordered wireless carriers to provide location and call back information to 9-1-1 centres. It is important that Canada follows suit and E-Comm intends to be a leader in this area to enhance the 9-1-1 service. Some cellular telephone companies are working on remedying this situation already.

June 2001

— Ridge-Meadows RCMP joins radio system.

— BC Ambulance Services joins radio system north of the Fraser River.

July 2001

— Emergency Operations Centre at YVR connects to radio system.

August 2001

— UBC RCMP joins radio system.

— RCMP Freeway Patrols (Deas Island, Port Mann) join radio system.

— Port Moody Fire-Rescue Service joins radio system.

— TransLink joins radio system.

— E-Comm provides communications assistance during Celebration of Light.

September 2001

— E-Comm programs and delivers additional radios to police September 11.

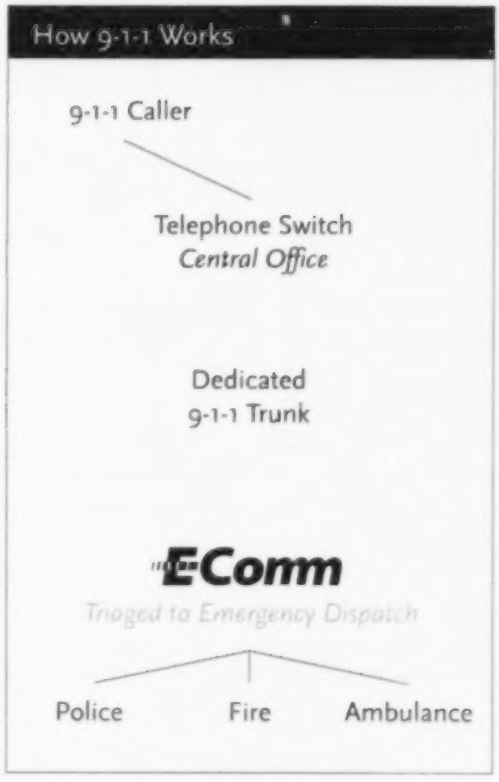
— New Board of Directors announced.

— Vancouver Fire & Rescue Services begins dispatching with new Computer-Aided Dispatch system.

Year January 01 – December 31	Total 9-1-1 Calls	Numerical Difference from Previous Year	Percent Difference from Previous Year	Average per Day
1990	801,494	n/a	n/a	2,196
1991	806,494	5,000	0.62	2,208
1992	867,224	60,730	7.00	2,370
1993	889,029	21,805	2.45	2,436
1994	913,962	24,933	2.73	2,504
1995	968,308	54,346	5.61	2,653
1996	1,004,826	36,518	3.63	2,745
1997	1,013,015	8,189	0.81	2,775
1998	1,017,821	4,806	0.47	2,789
1999	1,064,827	47,006	4.41	2,917
2000	1,231,589	166,762	13.54	3,365
2001	1,263,475	31,886	2.52	3,452

In July of 2002, Vancouver Fire & Rescue Services (VF&RS) moved its dispatch operation to E-Comm. VF&RS had been operating on the E-Comm Computer-Aided Dispatch system, provided by PRC Altaris,® at its dispatch centre since September 2001. The transition of dispatch services represents the first new agency to be dispatched out of E-Comm since 1999 when the RCMP relocated dispatch responsibilities for the Sunshine Coast, Whistler and Pemberton areas to E-Comm. Part of the fire transition process included an intensive two-month training program for the E-Comm employees selected to be fire call-takers and dispatchers. These 20 men and women are now dispatching for fire departments in Vancouver, Port Moody, Whistler, and the Sunshine Coast Regional District. It is important to recognize the contribution and support of all of these fire agencies during this transition and the ongoing training.

On July 15th, 2002 the Ridge-Meadows RCMP moved its dispatch operation to the E-Comm centre, bringing 21 new employees to E-Comm. The vision of E-Comm has always been to develop a shared emergency communications system that puts the safety of emergency personnel and the public first and the transition of the Ridge-Meadows RCMP is a significant step in advancing that vision.

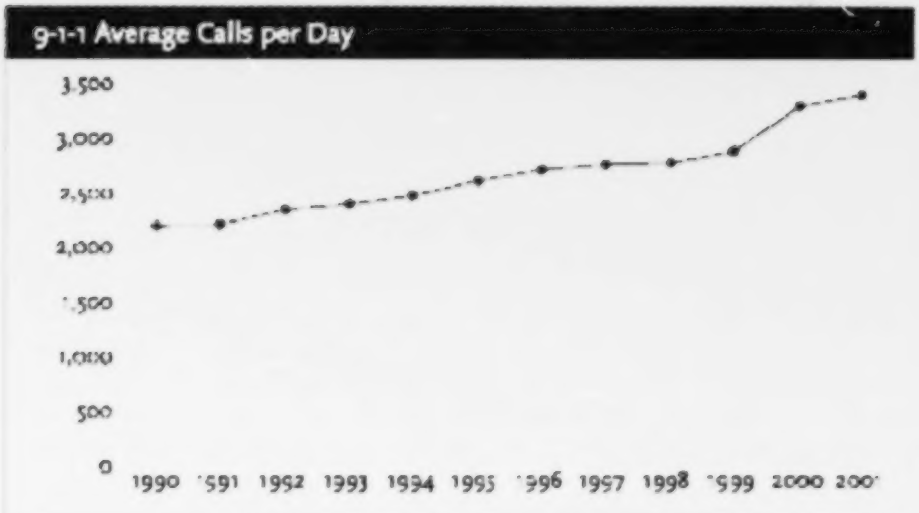


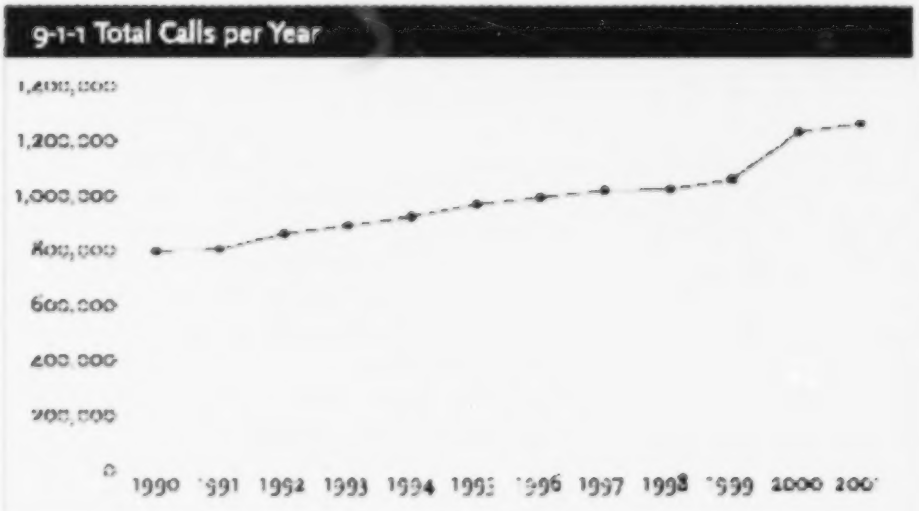
The transition was seamless thanks to the dedication of the Ridge-Meadows RCMP, the District of Maple Ridge and the E-Comm personnel who worked diligently to ensure the high-quality dispatch services for the RCMP were maintained.

E-Comm is preparing a detailed business case for the establishment of a Second Operating Centre for southwest B.C. In December 2001, our Board of Directors approved the business case in principle and an expanded plan will be presented to the Board in late 2002.

This centre would act as a "twin" emergency centre to E-Comm and would house both a 9-1-1 call centre and dispatch operations for a variety of emergency response agencies. The division of services would be based on the geography of our service area.

Currently there are several provisions for back-up operations for 9-1-1 and emergency dispatch but it has always been the plan to have a "hot" back-up site... meaning the system runs in tandem to E-Comm. Emergency communications centres around the globe are moving to the two-centre configuration as the obvious benefits in a disaster situation are great.





October 2001

— E-Comm hosts forensic video analysis training seminar for Law Enforcement Video Association.
— Ken Shymanski joins E-Comm as president.
— New five-year collective agreement concluded.

November 2001

— 5-year strategic plan developed.

December 2001

— 9-1-1 answers 1.26 million calls in 2001.
— Richmond RCMP goes live on PRIME-BC.

January 2002

— Langley Tower site completed, paving way for expansion to Langley, Surrey and White Rock.
— 9-1-1 call-answer point revitalized.
— Leadership training and job evaluation process begins.
— Management testing process introduced to assess strengths and development opportunities.

Agencies Dispatched by E-Comm

Police

- Bowen Island RCMP
- Gibsons RCMP
- Lower Mainland Traffic Services RCMP (Deas Island and Port Mann Freeway Patrols)
- Ridge-Meadows RCMP
- Sechelt RCMP
- RCMP at University of British Columbia
- Vancouver Police Department
- Whistler RCMP (including Pemberton and Tribal Police)

Fire

- Gibsons and District Volunteer Fire Department
- Halfmoon Bay Fire Department
- Pemberton Fire Department
- Pender Harbour Fire Department
- Port Moody Fire-Rescue
- Roberts Creek Volunteer Fire Department
- Sechelt Volunteer Fire Department
- Vancouver Fire & Rescue Services
- Whistler Fire Department

Information Technology

One of the most significant challenges telecommunications companies face is the phenomenal speed of change in technology. To keep pace with these demands, E-Comm is developing new ways to help emergency responders and the public receive the help they need.

A significant component of this development is the implementation of a new Computer-Aided Dispatch (CAD) system. The PRC Altaris® CAD is designed to provide swift and easy access to a wide range of information critical to emergency response and includes a Geographical Information Mapping System (GIS) that quickly verifies residential and business phone numbers and addresses. The new CAD also contains detailed street maps and other municipal-specific information, as well as images of floor plans and access to a chemical and hazardous waste materials database. The CAD system is multi-jurisdictional and information can be transmitted immediately from the dispatcher to emergency responders in the field.

In September 2001, Vancouver Fire & Rescue Services became the first emergency service agency in British Columbia to begin using the new CAD, replacing a 15-year old computer dispatching system.

Port Moody Fire-Rescue Services became the second emergency services agency to transition onto the CAD when its dispatch service was re-located to Vancouver Fire & Rescue Services in February 2002. Both agencies are now dispatching out of E-Comm, and continue to use this system. Previously the Port Moody police department dispatched Port Moody firefighters and information pertinent to emergency response was in paper form.

Future CAD transitions include the Port Moody Police (August 2002), the Vancouver Police (December 2002) and the BC Ambulance Service (August 2003). Like the Vancouver and Port Moody fire departments, the system will be outfitted with the agencies' specific response information. The new CAD system makes it easier to share call information between the police, fire and ambulance as these agencies frequently respond to the same incident.

Having all emergency response teams on the same information platform improves operations on a daily basis and will prove invaluable in the event of a major disaster.

The pilot phase of the PRIME-BC project, a new police records management system being implemented by E-Comm, is now complete and E-Comm is conducting a post-implementation review. E-Comm is also working with our partners and the province on planning for the subsequent phases of PRIME-BC, which will include province-wide capabilities. The new PRIME-BC system, including the regional database search capabilities of the Law Enforcement Information Portal (LEIP), is a model throughout the world as police agencies improve efficiencies by moving away from a paper-heavy reporting process to an electronic system. With PRIME-BC, officers utilize laptop computers and can now enter reports while on the road, at a crime scene or while working in local community policing office. The reports are transmitted via a wireless system to the Record Management System.

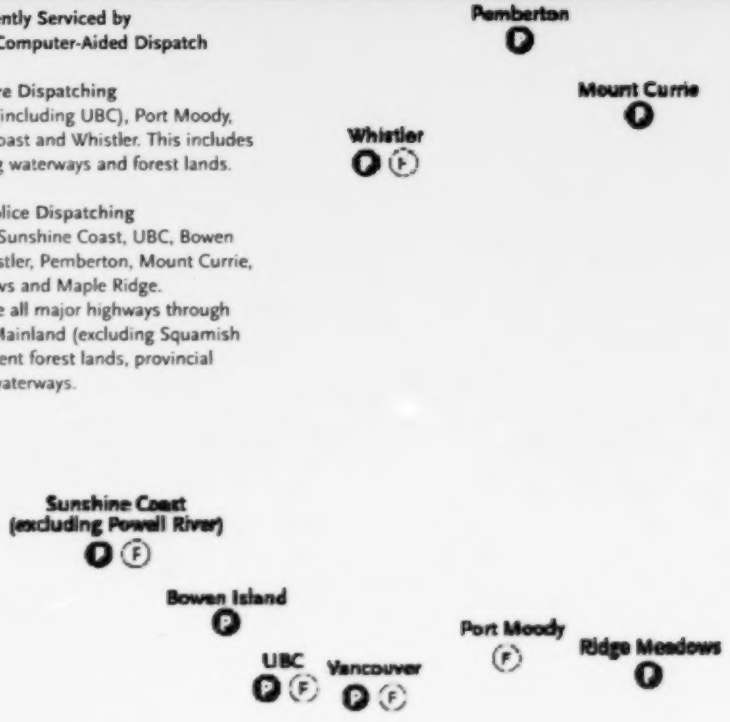
E-Comm is also in the midst of making a number of changes and upgrades to existing core network devices in order to improve network manageability and performance. As new systems become operationally stable we are introducing technology and processes to automate the management of those systems. As an example of this, there is a project currently underway to install and integrate robotic devices into our network to perform backups and monitor system performance.

E-Comm Dispatch as of July 31, 2002

Areas Currently Serviced by E-Comm's Computer-Aided Dispatch

E-Comm Fire Dispatching
Vancouver (including UBC), Port Moody, Sunshine Coast and Whistler. This includes surrounding waterways and forest lands.

E-Comm Police Dispatching
Vancouver, Sunshine Coast, UBC, Bowen Island, Whistler, Pemberton, Mount Currie, Pitt Meadows and Maple Ridge. Included are all major highways through the Lower Mainland (excluding Squamish area), adjacent forest lands, provincial parks and waterways.



February 2002

— New Westminster purchases "Class A" share.

— Port Moody Fire moves dispatch to VF&RS and begins using new CAD.

March 2002

— First employee survey.

April 2002

— Phase One of Wide-Area Radio System complete.

— Cost Allocation Model Review.

May 2002

— New Westminster police joins radio system.

— First fire dispatch training class commences.

June 2002

— 3rd anniversary of E-Comm marked with first mutual aid radio talk group involving responders from 11 different emergency agencies.

July 2002

— Fire dispatch transitions to E-Comm.

— Ridge-Meadows RCMP dispatch transitions to E-Comm.

E-Comm also purchased two new voice loggers in anticipation of more agencies transitioning into E-Comm. The new loggers have a much larger hard-drive capacity and can hold audio for up to two months before it is archived onto digital audiotape (DAT). This provides immediate on-line retrievals for up to two months of audio, compared to the previous system's seven-day capacity. The software upgrade also includes a new Quality Assurance module that provides a much improved automated and efficient process for reviewing and evaluating calls. The equipment not only records the voice call itself but also provides additional data such as the date, time, and Agent ID associated with each call and, through an application on the CAD system, allows call takers and dispatchers to immediately replay and listen to their calls. The IT department also began working on an "Evergreen" program for E-Comm's computer and network systems this reporting year. An Evergreen program is a planned life cycle renewal strategy designed to make sure that there is both an operational plan to replace equipment as it reaches the end of its useful life, and a financial plan in place to pay for the replacement.

Once the complete Evergreen plan is approved and in place, E-Comm will replace some equipment each year. The plan is to begin each replacement cycle by replacing the most critical equipment in the Corporation and then to move the older workstations to locations where the required functionality is less demanding. The dispatch and call taker workstations are recognized as the ones where seconds count and where maximum performance could make a difference to our client agencies and the public we serve. At this time the plan is to replace the dispatch workstations more frequently than any others.

Security remains an ongoing issue for any company that utilizes technology and as such E-Comm continues to review and enhance all security measures for the protection of the public.

"Operationally, it makes absolute sense for us. We are surrounded by RCMP detachments that are going on to the system and for the safety of the city we need to be able to communicate with our neighbours. Shared communication is the way policing and emergency services has to go."

Deputy Chief Pat Fitzgerald, Port Moody police

Wireless Technology

The Wide-Area Radio System provides public safety wireless communications for police, fire and ambulance. The system provides increased multi-service and multi-jurisdictional interoperability, enhanced in-building radio coverage and message encryption for secure communications.

With the competition of Phase One in April 2002, E-Comm achieved its mandate of implementing a multi-service multi-jurisdictional radio system that provides cross communication capabilities throughout the GVRD. E-Comm operates the Wide-Area Radio System, which includes 26 radio sites and 3500 radios. Outdated technology has been replaced with a shared radio system in the 800 MHz band, maximizing interoperability, reducing spectrum impact and lowering overall costs to participating agencies. An in-house radio maintenance program is being initiated in late 2002, from which significant savings are anticipated.

The concept of consolidated emergency communications in the Lower Mainland followed the 1994 Stanley Cup riot in Vancouver in which police, fire and ambulance personnel were unable to communicate directly with each other because each was working on a separate radio system. Today, emergency response agencies throughout the GVRD are using the E-Comm Wide-Area Radio System, which allows for cross-communication between agencies (police, fire, ambulance) within the communities they jointly serve and with agencies in neighbouring jurisdictions.

On a day-to-day basis the shared system makes it easier for different police agencies to work together in handling cross-jurisdictional crime, including major crime investigations, police pursuits and other events that cross municipal boundaries. For firefighters and paramedics, this system allows instant access to information pertinent to medical and rescue calls. In the event of a major disaster, such as an earthquake or building collapse, the radio system will be paramount in coordinating joint response.

Radio spectrum, which is a limited resource controlled by Industry Canada, is one of E-Comm's most valuable resources and early in the reporting year, E-Comm secured 11 new radio frequencies to add to

Between June 2001 and June 2002, the number of radios in use increased from 2400 to 3500.

Radio traffic for November 2001: 1,338,393 transmissions

Radio traffic for June 2002: 6,234,772 transmissions

its current complement of 67. These additional frequencies will be incorporated into the network later in 2002 and will enhance the traffic grade of service and facilitate the addition of new users.

Feasibility studies and preliminary planning for Phases Two and Three of the Wide-Area Radio System are now underway. The focus of these studies is to investigate potential expansion to the Sunshine Coast, Whistler and Pemberton and from Abbotsford to Mission and Hope to Boston Bar. Preliminary results indicate that the existing 800 MHz system should be extended to Abbotsford and Mission and the remaining areas continue to be serviced by the existing VHF band. The potential expansion timeframe for Abbotsford/Mission is 2004.

E-Comm has held discussions with the 2010 Olympic Bid Committee and in the event the Bid is successful, E-Comm will examine the possibiltity of expanding the 800 MHz system along the Whistler Corridor to provide radio communications for security and public safety personnel for the 2010 Winter Olympics.

E-Comm's Wide-Area Radio System

Agencies on the radio network include:

- British Columbia Ambulance Service (throughout GVRD)
- Burnaby RCMP
- Coquitlam RCMP
- Langley RCMP
- New Westminster Police Service
- North Vancouver RCMP
- Port Moody Police
- Port Moody Fire-Rescue Services
- Richmond RCMP
- Richmond Fire-Rescue Services
- Ridge-Meadows RCMP
- RCMP Lower Mainland Traffic Services (Deas Island and Port Mann Freeway patrols)
- RCMP Lower Mainland Federal/Provincial Services
- Surrey RCMP
- Translink Rapid Bus
- UBC RCMP
- Vancouver Fire & Rescue Services
- Vancouver Police Department
- White Rock RCMP

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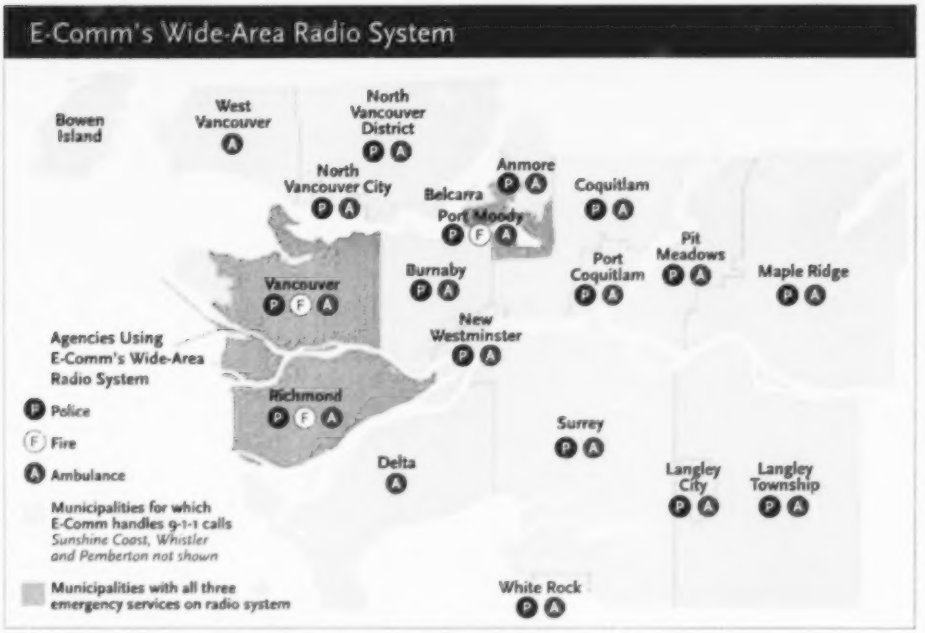

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- Translink Rapid Bus
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- Vancouver Fire & Rescue Services
- Vancouver Police Department
- White Rock RCMP

Human Resources and Corporate Communications

A comprehensive review of E-Comm's Human Resources functions began this reporting year, including the creation of job development initiatives, management testing and evaluation, and enhanced leadership training. E-Comm also completed an aggressive recruitment campaign to train new 9-1-1 operators to ensure proper staffing levels are maintained and expanded.

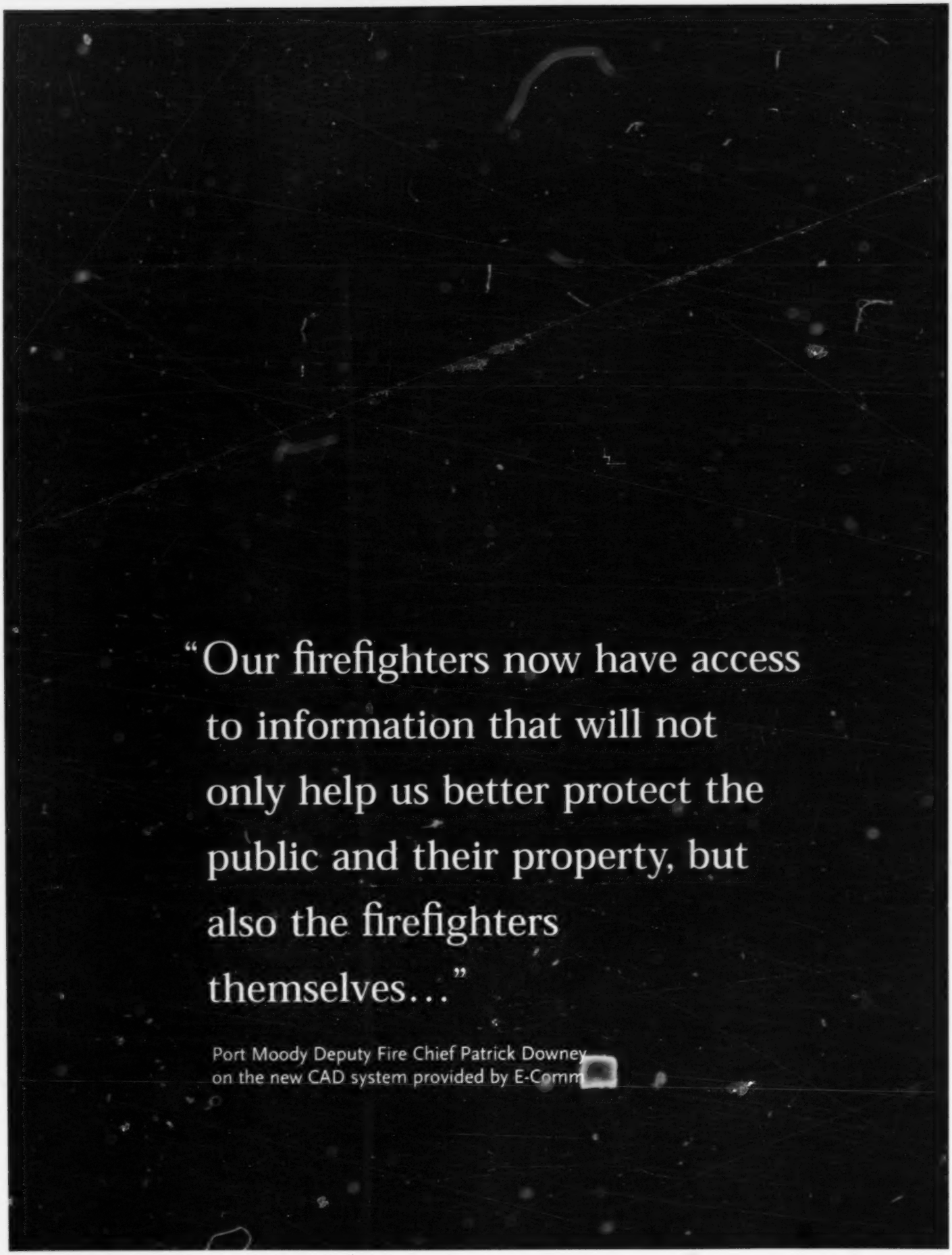
The addition of fire dispatch to E-Comm's functions resulted in a new training program being developed by Vancouver Fire & Rescue Services, Kwantlen College and E-Comm. The E-Comm employees who were the successful applicants for fire dispatch spent May and June of 2002 in training and were well prepared for the July 2, "GO LIVE" date.

Staff have focused on E-Comm's labour relations environment as we move forward following the labour dispute. Both E-Comm and CUPE 873 have demonstrated a commitment to a productive and collaborative labour/management relationship. Significant initiatives have been introduced in the areas of employee engagement and development and management training and development. E-Comm has also created detailed plans to help successfully transition employees to E-Comm when a new agency moves its dispatch operations into the facility.

E-Comm also conducted its first employee survey this reporting year and is working to develop action plans to address issues affecting staff including recognition, opportunities for growth and health and wellness programs.

Most residents of British Columbia are familiar with the 9-1-1 system, but knowledge of how 9-1-1 works and how to use it properly varies. The launch of a new corporate Web site **www.ecomm.bc.ca** and the creation of public information materials that focus on a variety of emergency issues should assist with this.

E-Comm also hosted a number of visitors during the year including the Law Enforcement Video Association's forensic analysis workshop and visiting delegations from Quebec, Ontario, California, Taiwan and Saudi Arabia.


"Our firefighters now have access to information that will not only help us better protect the public and their property, but also the firefighters themselves..."
Port Moody Deputy Fire Chief Patrick Downey on the new CAD system provided by E-Comm

Management's Responsibility for Financial Statements

Management prepares the accompanying financial statements and related information and is responsible for its integrity, completeness and accuracy. The statements were prepared in conformity with Canadian generally accepted accounting principles. We believe that these statements present fairly the Corporation's financial position.

Internal Controls

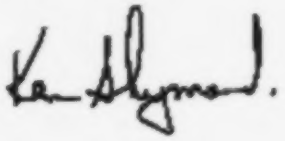
We maintain and rely on a system of internal accounting controls designed to provide reasonable assurance that assets are safeguarded and transactions are properly authorized and recorded. We continually monitor these internal accounting controls, modifying and improving them as business conditions and operations change.

Independent Auditors

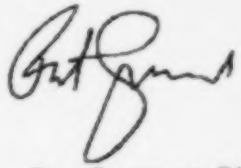
Our independent auditors, KPMG LLP, have audited the financial statements. Their audit was conducted in accordance with Canadian generally accepted auditing standards.

The Audit Committee

The Audit Committee, comprised of members of the Board of Directors of Emergency Communications for Southwest British Columbia Incorporated, oversees management's financial reporting responsibilities. The committee meets with management and our external auditors to discuss auditing, financial reporting and internal control matters.



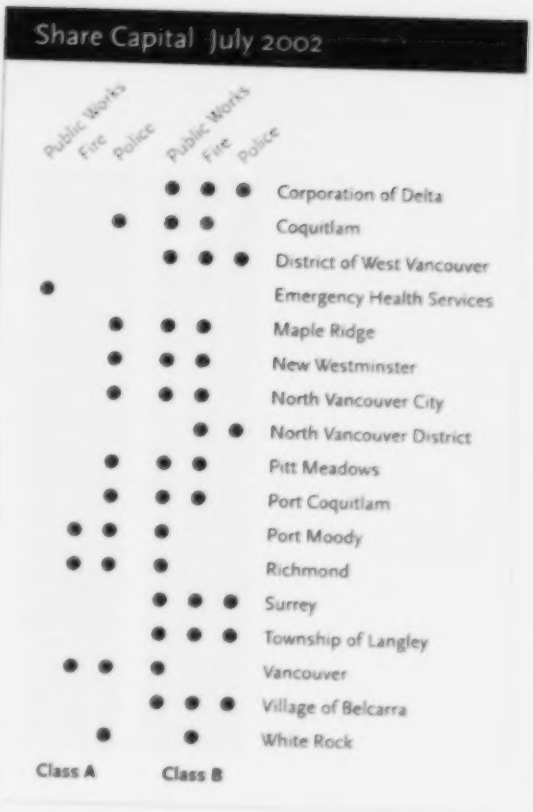
Ken Shymanski
President & CEO



Peter Greenwood, CA
Director, Finance & Administration

E-Comm officially ended its start-up phase as of April 1, 2002, meaning that for financial reporting purposes the Corporation is now considered fully operational where, in previous years, all expenditures, net of incidental revenues, were capitalized. (This also means that the Corporation will be including an Operating Statement with our Financial Statements starting with the year ending December 31, 2002.)

In December 2001, the Board of Directors endorsed a process for the review of the Radio Cost Allocation Model. The Cost Allocation Model is entrenched in the Members' Agreement and any change to this agreement requires special shareholder approval. The process and timelines for the review were established to allow for approval of changes (if changes were warranted) at the 2002 Annual General Meeting.



Review meetings were held in March and April with representatives from all current and planned radio users. 17* recommendations were put forward including:

1) That the existing Cost Allocation Model continue to be used as the appropriate mechanism for allocating costs and establishing radio and CAD levies for member agencies;

2) An annual workshop be held for interested participants on understanding and using the model; and

3) Levies for 2003 be established by September 30, 2002.

A five-year strategic financial plan, aligned with the goals set in the overall strategic plan, was also developed this reporting year with the objective of providing the Board of Directors, shareholders, customers, management and employees with an understanding of where the Corporation sees itself financially in 2007.

* *A copy of the full report is available upon request.*

Financial Statements of
E-Comm
Emergency Communications
for Southwest British Columbia Incorporated

Years ended December 31, 2001 and 2000

Auditors' Report to the Shareholders

We have audited the balance sheet of E-Comm Emergency Communications for Southwest British Columbia Incorporated as at December 31, 2001 and the statement of cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2001 and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the Company Act (British Columbia), we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

KPMG LLP

Chartered Accountants

Vancouver, Canada
March 28, 2002

Balance Sheets

December 31, 2001 and 2000

	2001	2000
Assets		
Current assets:		
Cash and cash equivalents	$ 8,266,087	$ 48,641,150
Accounts receivable	6,092,498	1,220,909
Accrued interest receivable	7,035	1,716,870
Prepaid expenses	182,589	83,171
	14,548,209	51,662,100
Investment in TCM Telecare Management Inc. (note 3)	1	-
Debt reserve fund (note 4)	1,579,494	1,588,531
Deferred financing costs	1,647,403	1,737,672
Deferred development costs (note 5)	14,373,599	10,401,596
Long-term portion of prepaid land lease	2,398,990	2,424,242
Long-term portion of prepaid expenses	158,956	45,500
Capital assets (note 6)	114,623,714	93,707,380
	$ 149,330,366	$ 161,567,021
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	$ 8,416,148	$ 11,286,290
Accrued interest payable	1,874,920	2,013,381
Current portion, long-term debt	9,941,000	9,445,000
	20,232,068	22,744,671
Deferred revenues (note 7)	11,142,838	10,925,890
Long-term debt (note 8)	117,955,000	127,896,000
Shareholders' equity:		
Share capital (note 9)	460	460
	$ 149,330,366	$ 161,567,021

Commitments (note 11)
Contingency (note 12)
Subsequent event (note 13)

See accompanying notes to financial statements.

Approved on behalf of the Board:

Director

Director

Statements of Cash Flows

Years ended December 31, 2001 and 2000

	2001	2000
Cash provided by (used in):		
Operations:		
Items not involving cash and included in deferred development costs:		
Amortization	$ 3,669,739	$ 1,778,242
Interest earned on debt reserve fund	(101,866)	(59,439)
Changes in non-cash items:		
Accounts receivable and accrued interest receivable	(3,161,754)	1,389,560
Prepaid expenses	(212,874)	(91,514)
Deferred development costs	(3,972,003)	(2,320,064)
Accounts payable and accrued liabilities	(3,008,603)	3,239,192
Deferred revenue	216,948	8,260,974
	(6,570,413)	12,196,951
Investments:		
Investment in TCM Telecare Management Inc.	(1)	-
Debt reserve fund repayment	110,903	100,253
Acquisition of capital assets	(24,470,552)	(26,475,922)
Decrease in short-term investments	-	38,023,734
	(24,359,650)	11,648,065
Financing:		
Repayment of long-term debt	(9,445,000)	(8,975,000)
Increase (decrease) in cash	(40,375,063)	14,870,016
Cash, beginning of year	48,641,150	33,771,134
Cash, end of year	$ 8,266,087	$ 48,641,150
Supplementary information:		
Interest paid during the year	$ 7,102,509	$ 7,612,265

See accompanying notes to financial statements.

1: Operations

E-Comm Emergency Communications for Southwest British Columbia Incorporated (the "Corporation" or "E-Comm") was incorporated September 22, 1997 under the Company Act (British Columbia). The Corporation is in the development stage and planned principal operations are anticipated to commence April 1, 2002. Activities to date have included construction of a building to house the Corporation's administration, 9-1-1 call taking and dispatch centre, and development of a radio infrastructure, dispatch and police records management software systems and 9-1-1 / call taking / dispatch centre.

The Corporation will provide centralized emergency communications, disaster coordination and related public safety and public service to municipalities, regional districts, the provincial and federal governments and their agencies, and emergency service organizations throughout southwest British Columbia. Primary services will be provided to shareholder members of the Corporation pursuant to the Members' Agreement, and to the Royal Canadian Mounted Police ("RCMP") pursuant to a Special User Agreement with the Corporation.

The Corporation is exempt from tax under the Income Tax Act.

2: Significant accounting policies

(a) Basis of presentation:

A statement of operations has not been presented as the Corporation is in the development stage and planned principal operations have not commenced.

The Corporation's 100% investment in TCM Telecare Management Inc. ("TCM") is recorded at cost. The accounts of TCM are not consolidated with those of the Corporation, as E-Comm does not control TCM's operations.

(b) Financing costs:

Financing costs incurred for the issue of debenture debt attributable to the acquisition of capital assets have been deferred and are being amortized over the term of the debt.

(c) Development costs:

Development costs including salaries and other operating costs are being deferred through the pre-operating phase of the Corporation. These costs will be amortized over a ten-year period commencing the year the Corporation commences principal operations.

Costs directly relating to components of the Corporation that continue to be in the pre-operating phase are deferred until the pre-operating phase for that component ends. These costs will be amortized over a ten-year period commencing from that date.

(d) Prepaid land lease:

The land on which the E-Comm building is located has been leased from the City of Vancouver for a period of 99 years. The prepaid amount is being amortized over the term of the lease.

2: Significant accounting policies *continued*

(e) Capital assets:

Capital assets are stated at cost less related government assistance, net of accumulated amortization. Interest costs directly attributable to major projects are capitalized and, at project completion, are amortized over the estimated life of the underlying assets.

Amortization begins when assets are put into use and is provided for on a straight-line basis over the estimated useful lives of assets as follows:

Assets	Rate
Building, furniture, fixtures and equipment	20.5 years
Radio	12.5 to 20.5 years
Computer aided dispatch ("CAD")	10.5 years
Remote Dispatch	10.5 years
Records management system	10.5 years
User equipment	7.5 years

(f) Building space leases:

Prepaid leases for building space as described in note 7 will be amortized to revenues over the terms of the leases.

(g) Related party transactions:

Transactions with related parties are in the normal course of operations, and are recorded at the agreed upon exchange amount. Contractual arrangements and service agreements with related parties are subject to the Corporation's tendering and proposal processes.

(h) Measurement uncertainty:

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Significant areas requiring the use of management estimates relate to the useful lives of capital assets and deferred costs for amortization and impairment of assets.

(i) Future operations:

These financial statements are prepared under the going concern basis, which assumes the Corporation will be able to realize assets and discharge liabilities in the normal course of operations. The long-term financial and operating viability of the Corporation is dependent on its ability to secure subscribers to generate revenues adequate to fund continuing operations.

2: Significant accounting policies *continued*

(j) Comparative figures:

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted in the current year.

3: Investment in TCM Telecare Management Inc.

In February 2001, E-Comm established a wholly-owned company, TCM Telecare Management Inc., to provide telephone call centre triage and self-care support services to residents of British Columbia. Known as "BC HealthGuide NurseLine," the initiative is funded and the operations are controlled by the Province of British Columbia Ministry of Health under the "BC HealthGuide" program. The service started April 2001 and is staffed by registered nurses on a 24 hour basis, 365 days per year

4: Debt reserve fund

E-Comm is required to maintain 1% of the borrowings outstanding through the Municipal Finance Authority of British Columbia ("MFA") in a Debt Reserve Fund administered by the MFA. This amount was paid out of the original debt proceeds and is presented together with interest earned on the reserve fund investments. A demand note in the amount of $8,539,236 (2000 -$10,278,802) is also provided by E-Comm to the MFA.

If at any time, E-Comm does not have sufficient funds to meet payment or contributions due on its obligations, the payments shall be made from the Debt Reserve Fund. The demand note payable by E-Comm is callable only if there are additional requirements to be met to maintain the Debt Reserve Fund at a specified level. As such, no amount for the demand note has been recorded in the financial statements. The amounts due to E-Comm from the Debt Reserve Fund are repaid to E-Comm when the installments under the respective loan agreements have been made; during the year $110,903 (2000 - $100,253) was received after debt installment payments were made.

5: Deferred development costs

The balance of deferred development costs consists of the following:

	2001	2000
Radio operating	$ 4,602,536	$ 1,527,406
Dispatch expenses	27,164,724	16,871,817
Finance and administration	14,709,683	10,031,304
Amortization	6,585,314	3,005,843
Interest expense	4,472,789	2,212,046
Radio operating levies	(15,216,808)	(6,973,821)
Dispatch levies and fees	(25,257,728)	(15,067,642)
Tenant and other recoveries	(2,686,911)	(1,205,357)
	$ 14,373,599	$ 10,401,596

6: Capital assets

The major components of capital assets of the Corporation are as follows:

			2001	2000
	Cost	Accumulated amortization	Net book value	Net book value
Building	$ 18,699,405	$ 2,733,401	$ 15,966,004	$ 16,329,972
Furniture, fixtures and equipment	4,457,276	216,618	4,240,658	5,368,509
Radio	60,056,323	-	60,056,323	49,777,221
CAD	12,127,657	203,852	11,923,805	5,988,494
Remote Dispatch	1,491,848	-	1,491,848	1,491,848
Records management system	4,294,071	255,890	4,038,181	2,639,245
User equipment	20,006,689	3,099,794	16,906,895	12,112,091
	$ 121,133,269	$ 6,509,555	$ 114,623,714	$ 93,707,380

Interest capitalized during the year amounts to $3,646,868 (2000 - $2,436,301). Amortization charged in the pre-operating phase is included in deferred development costs.

The radio and remote dispatch assets will be put into full use on April 1, 2002. The CAD system will be put into full use during 2003.

7: Deferred revenues

Deferred revenues relate to:

(a) 99-year prepaid leases of certain portions of the building premises with the City of Vancouver, BC Building Corporation, Vancouver Port Authority, Fraser River Harbour Commission and the 20 members of the Regional Emergency Coordination Centre ("RECC"). Annual revenue from these prepaid leases and member levies will fully offset the operating costs, including amortization of capital assets, of the Corporation. As at December 31, 2001, the leases with Vancouver Port Authority, Fraser River Harbour Commission and RECC members have not been finalized;

(b) Radio system levies from member agencies that are prepayments of user equipment capital costs. Once the member agency is fully using the radio system, these amounts will be recognized as revenue on the same basis as the amortization of the related capital assets; and

(c) Grants received by the Corporation to assist in funding certain development costs of the PRIME records management system ("RMS"). These grants are reflected as deferred revenues and are offset against the cost of the RMS development upon the completion of the system component to which the grants relate. As at December 31, 2001 grants aggregating $200,000 (2000 - $480,000) are deferred pending system completion.

8: Long-term debt

On March 24, 1998, the Corporation obtained $146,316,000 of debenture financing through the MFA. The loan is unsecured and has an initial ten-year term with interest at 5.46% per annum and a further twelve-year term at floating rates. Incorporated into the loan agreement is a swap element that takes effect on March 24, 2008, the end of the initial term, at which point the Corporation will (dependent upon interest rates at this date) pay or receive an interest differential for the second term, thereby fixing the rate at 6.47% per annum. The repayment requirements on the long-term debt of the Corporation during the next five years and thereafter are as follows:

Year ending December 31:	2002	$ 9,941,000
	2003	10,462,000
	2004	11,024,000
	2005	11,616,000
	2006	12,253,000
	Thereafter	72,600,000
		127,896,000
	Current portion	9,941,000
		$ 117,955,000

9: Share capital

(a) Authorized:

350 Class A common voting shares without par value. Following project completion, Class A shareholders are obligated to share in funding both the on-going operations and any additional costs relating to capital assets (in accordance with a cost-sharing formula).

150 Class B common restricted voting shares without par value. Following project completion, Class B shareholders can elect to become Class A shareholders. Class B shareholders are not obligated to share in funding the on-going operating costs.

(b) Issued:

		2001		2000
13 Class A common voting shares	$	130	$	130
33 Class B common restricted voting shares		330		330
	$	460	$	460

In February, 2002 the New Westminster Police was issued one (1) Class A common voting share.

(c) RCMP Special User Agreement:

Due to existing Federal restrictions, the RCMP cannot become a shareholder in the Corporation. Consequently, a Special User Agreement has been executed such that the RCMP has the right to participate in the E-Comm project on the same terms and conditions as the class A shareholders, including the obligation to fund both the on-going operating costs and any additional costs relating to capital assets (in accordance with a cost-sharing formula).

10: Related party transactions

The City of Vancouver, a Class A shareholder, provides maintenance services for the operations of the Corporation. In 2000 and for a portion of 2001, the City also provided janitorial, security, and investment services. By February 2002, E-Comm will have assumed full responsibility for all of these services.

11: Commitments

The Corporation has commitments under contracts for the purchase and construction of capital assets. Portions of such contracts not completed at year end are not reflected in the financial statements. Costs committed but not yet incurred amount to approximately $9,825,000 at December 31, 2001.

The Corporation has also entered into leases for radio tower sites. These leases expire in future years from 2002 to 2011 and are renewable at the option of the Corporation. Future minimum payments under these leases, excluding option periods, are approximately as follows:

Year ending December 31:	2002	$ 369,641
	2003	345,392
	2004	333,460
	2005	269,512
	2006	231,086
	Thereafter	795,531
		$ 2,344,622

12: Contingency

There are various pending claims and litigation involving the Corporation which, in the aggregate, could be material. All claims against the Corporation are being defended. While it is not possible to predict the outcome or extent of any liability, management does not believe that these actions will materially impact the financial position or operations of the Corporation. No provision has been made in the accounts for any costs which may result, except for legal expenses.

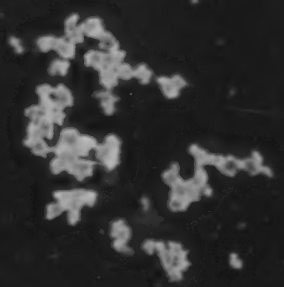
13: Subsequent event

In March 2002, E-Comm arranged additional debt borrowing through the MFA to complete construction and acquisition of the wide area radio system. Interim financing for $16 million bearing interest at 2.6% per annum was received under the MFA Short Term Line borrowing program pending placement of long-term financing as part of the MFA Spring, 2002 Debt Issue in May, 2002. An additional $7.7 million will be borrowed under already approved lending authorization in late 2002 or early 2003.

Providing exceptional emergency communications for the safety of southwest British Columbia.

E-Comm Facts

- E-Comm responds to more than 1.26 million 9-1-1 calls per year.
- E-Comm provides communications services for police, fire and ambulance.
- E-Comm receives an average of 3,200 9-1-1 calls per day.
- E-Comm facility is designed to withstand a major earthquake.
- E-Comm is a vital link in helping to save lives and protect property.



www.ecomm.bc.ca

www.ecomm.bc.ca
Phone 604 215 5000
Fax 604 215 5001

"The Wide-Area Radio System is going to make apprehending criminals who cross municipal boundaries much easier."

Chief Lorne Zapotichny,
New Westminster Police Service

EComm